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# STATE OF INDIANA

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DEPARTMENT OF LOCAL GOVERNMENT FINANCE  
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INDIANA GOVERNMENT CENTER NORTH  
100 NORTH SENATE AVENUE N1058(B)  
INDIANAPOLIS, IN 46204

August 9, 2007

Hon. James Carmichael  
Delaware County Assessor  
100 West Main St., Room 101  
Muncie, IN 47305

Re: Directive to Review and Assess Undervalued or Omitted Property

Dear Mr. Carmichael:

In light of our discussions with your office, local officials, and the taxpayers of Delaware County, the Department has determined that a reassessment order under Ind. Code § 6-1.1-4-9 would not be appropriate for Delaware County.

The Department remains concerned that some commercial and industrial properties are undervalued for the March 1, 2006, assessment date. As you know, the Department has been charged by the General Assembly with the task of ensuring that all tangible property is assessed in accordance with the law. Under that general authority, I will be issuing a directive that will require you to take the following actions to ensure that commercial and industrial assessments in Delaware County are fair and equitable:

- 1) Immediately begin collecting county-wide data on all commercial and industrial real property from the county auditor and township assessors and review that information for evidence of underassessment for the March 1, 2006, assessment date. This review is required by Ind. Code § 6-1.1-9-6.
- 2) Acquire commercial and industrial cost-based pricing data from a nationally recognized vendor and install that pricing data on the county's computers.
- 3) Re-price the commercial and industrial improvements and apply depreciation as determined by market conditions to adjust the values of the properties to reflect market value-in-use as required by 50 IAC 2.3. The adjustment of undervalued properties is required by Ind. Code §§ 6-1.1-9-1; 6-1.1-9-4.
- 4) Give notice to each taxpayer in accordance with Ind. Code § 6-1.1-9-1 for all changed assessments.
- 5) During this process, provide weekly, written status reports to the Department's Assessment Division detailing progress on the review and revaluation of commercial

and industrial properties. This review of commercial and industrial real property in Delaware County, including adjustments to assessed values, shall be completed by December 31, 2007. Any changes to assessed values shall be made in accordance with Ind. Code § 6-1.1-9-5.

- 6) Any costs incurred in performing this review shall be absorbed in your operating budget or paid from available monies in the reassessment fund. *See* Ind. Code §§ 6-1.1-9; 6-1.1-4-28.5.

This review is required under Indiana law, and should be a standard operating procedure for your office. Because of the Department's specific concerns on Delaware County, we will oversee the review detailed above through the status reports and any meetings that may be necessary.

It should be noted that the review required under Ind. Code § 6-1.1-9 does not require invalidation of previously established tax rates for Delaware County, and all taxpayers will be required to pay their 2007 tax bills calculated by the County Treasurer. Assessments that are raised after this review will be resolved first by offsetting shortfalls, and then through levy excess, which will reduce property tax rates in future years.

This review for undervalued property will save the county taxpayers from the expense that reassessment may have required and provide assurance that assessments are conducted in the fair and equitable manner required under Indiana law.

If you require any assistance in this task, please contact the Department. You should receive our detailed instructions on the procedures to be followed within a week.

Sincerely,

Cheryl A.W. Musgrave, Commissioner  
Department of Local Government Finance

CC: Judith L. Rust, Delaware County Auditor  
Warren E. Beebe, Delaware County Treasurer